New Jersey's Highway Problems

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NEW JERSEY'S HIGHWAY PROBLEMS

INVESTMENT: The state highway department has invested almost half a billion dollars for construction of its highway system since 1917, plus more than 100 million more for maintenance. Many more millions have been invested in local streets and roads. Of the state's expenditures, about $37,500,000 in bonds is still unpaid for; the counties and municipalities owe at least as much, probably more. No accurate breakdown is possible as local bond issues seldom itemize ultimate expenditures.

OK to end 1950

Dec 1946 $87,700,000

CONDITION OF ROADS: Much of this debt is for highways, streets and roads which have long since worn out or become antiquated. Of the 1,700 miles of highway in the state system alone, more than 20 per cent has serious deterioration; another 30 per cent is under or in need of repair or reconstruction.

AND BRIDGES: Sixty-eight per cent of 8,826 county bridges in New Jersey have a rated safe capacity per vehicle of 20 tons or less...and one-third of the trucks on our major highways are heavy combinations, many of them weighing more than 20 tons.

WHAT IS NEEDED: According to reports submitted to the Joint Committee on the Economic Report of the 81st Congress, New Jersey should spend a total of $1,506,400,000 for construction and reconstruction purposes alone over the next 10 years. This $150 million a year is needed to:

(1) Correct deficiencies now found on New Jersey highways, streets and roads, and

(2) Correct deficiencies which will occur during the

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next 10 years.

This billion and a half dollars does not include maintenance or administration -- it is for construction and reconstruction only, and IT IS A MINIMUM ESTIMATE, says the state highway department. The required expenditures are broken down as follows:

To correct present deficiencies:	$753,800,000
For State Highways	$518,700,000
For County Roads	126,100,000
For Municipal Streets	109,000,000
To correct future deficiencies:	$752,600,000
For State Highways	$489,400,000
For County Roads	188,700,000
For Municipal Streets	74,500,000

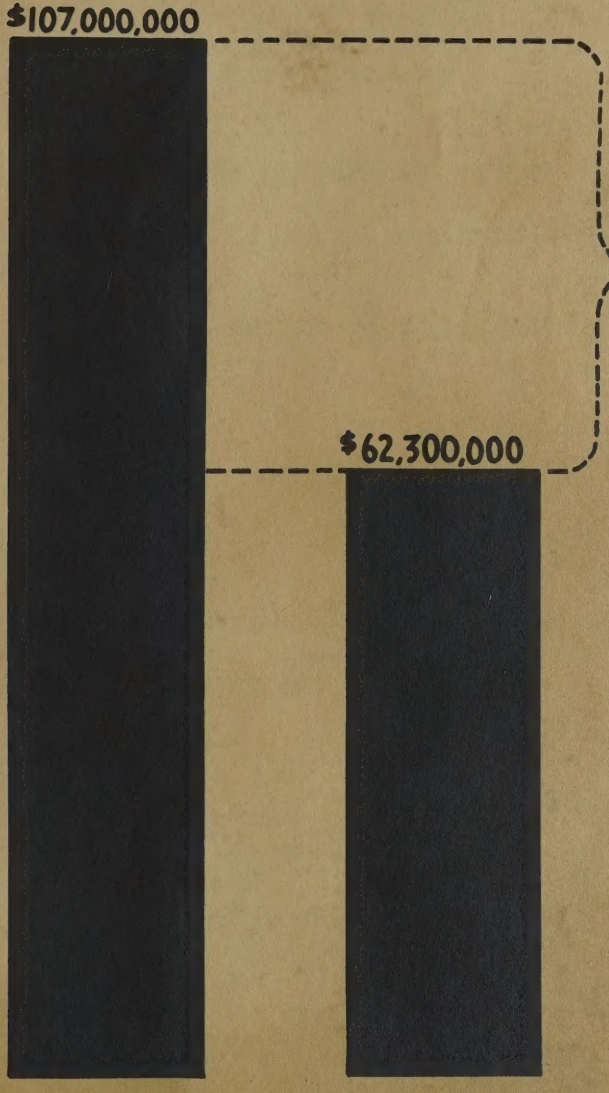
In other words, the state highway department alone should have approximately $100 million a year available for construction. Instead, the state appropriated only $44 million: $15,000,000 direct appropriation, $8,500,000 federal aid, $12,000,000 paid back by the Turnpike, and $8,500,000 carry-over.

THUS, THE TOTAL ROADWAY EXPENDITURES FOR THE CURRENT YEAR ARE:

State Highways	$44,000,000
Secondary Roads	2,000,000
County & Municipal Streets	16,637,000
TOTAL	$64,637,000

We are spending $64 million when the experts say we should be spending $150 million to keep pace with our traffic needs. AND remember that maintenance expenditures are double those 10 years ago. On state highways alone, maintenance

ROAD EXPENDITURES COMPARED TO USER REVENUES IN N.J. - 1948


$107,000,000
$62,300,000
Difference of $44,700,000 or 42% paid by local taxpayers, whether or not they own a car. In 1940 only 13% was paid by local taxpayers.
TOTAL ROAD EXPENSES
HIGHWAY USER REVENUES

STATE	$51,600,000	of which	$ 51,600,000	or 100% from user revenue
MUNY.	31,300,000	" "	9,800,000	or 32% " " "
COUNTY	24,100,000	" "	7,100,000	or 34% " " "
			$ 68,500,000	

LOCAL TAXPAYERS ARE PAYING AN INCREASING SHARE OF ROAD COSTS... WAS 13% IN 1940 & 42% IN 1948.

now costs $8.4 million against $4.1 in 1939.

TOTAL HIGHWAY EXPENDITURES ARE MORE THAN DOUBLE	1948-49	1939
Expenditures for streets, roads and highways (excluding local bond issues, but including construction, maintenance, street lighting, interest and amortization)	$107,200,000	$51,125,000
BUT HIGHWAY-USER REVENUES ARE NOT KEEPING PACE		
Total highway-user revenues (gas tax, registration and license fees)	62,000,000	44,400,000
HIGHWAY USERS ARE PAYING A SMALLER PERCENTAGE OF HIGHWAY COSTS	58%	87%
LOCAL TAXPAYER IS PAYING	42%	13%

WHO SHOULD PAY?

The Property Owner?

Local property taxes already average over $5. In many major communities, the tax rate is over $6 and still rising. In the past 10 years, local property taxes have increased over $100,000,000.

The State?

The state does not have the money. The State Tax Policy Commission stresses that the state will need a minimum of $30,000,000 extra revenue in the coming year just to balance the budget. To avoid new taxes, the state has used highway-user revenues for non-highway purposes in the past three years. This policy can be continued, but it will require an almost complete cessation of highway construction.

The Motorist?

New Jersey's gas tax is the second lowest in the nation -- 3 cents per gallon. This has encouraged fuel purchases in New Jersey and substantially higher revenues. A one-cent jump would bring in about $12,000,000.

Any increase in the gas tax will fall heaviest on passenger car owners.

Heavy Trucks?

NEW JERSEY'S FEES FOR HEAVY TRUCKS ARE AMONG THE LOWEST IN THE NATION, RANKING 47TH. AND HUNDREDS OF THOUSANDS OF OUT-OF-STATE TRUCKS PAY ONLY A FEW PENNIES GAS TAX.

TOTAL TAXES PAID IN THE 48 STATES

Source: Griffenhagen Report

HEAVY TRACTOR-TRAILER COMBINATION TRUCK

17,500 lbs. unladen 42,500 lbs. gross wt.

60,000 annual miles; 20,000 gallons fuel; 1,000,000 annual ton miles

STATE	TOTAL TAXES	LICENSES AND OTHER VEHICLE TAX.	MOTOR FUEL TAXES	PROPERTY TAXES
COLORADO	$3,364	$2,055	$1,200	$ 109
NO. CAROLINA	2,880	1.501	1.200	179
NEW MEXICO	2,474	1.074	1,400	
LOUISIANA	2,370	570	1,800	
FLORIDA	2,226	826	1.400	
OREGON	2,188	988	1.200	
WYOMING	2,168	1.259	800	109
VIRGINIA	2,151	750	1.200	201
KENTUCKY	1,952	326	1.400	226
SO. CAROLINA	1.952	597	1.200	154
MISSISSIPPI	1.905	595	1.200	110
CALIFORNIA	1.891	912	900	79
GEORGIA	1.887	300	1.400	187
ARIZONA	1.886	763	1.000	123
TENNESSEE	1.883	400	1.400	83
ALABAMA	1.861	600	1.200	61
IOWA	1.795	995	800	
NEBRASKA	1.788	416	1.200	172
TEXAS	1.773	874	800	99
KANSAS	1.740	580	1,000	160
WASHINGTON	1.725	378	1.300	47
ARKANSAS	1.680	286	1.300	94
WISCONSIN	1.655	855	800	
OKLAHOMA	1.637	321	1.316	
NEVADA	1.619	390	1.100	129
MAINE	1.581	330	1,200	51
SO. DAKOTA	1.557	757	800	
MONTANA	1.547	215	1.200	132
VERMONT	1,413	413	1.000	
W. VIRGINIA	1.407	341	1.000	66
IDAHO	1,405	205	1.200	
MINNESOTA	1.321	321	1.000	
MARYLAND	1.295	235	1.000	60
UTAH	1,271	320	800	151
PENNSYLVANIA	1.195	195	1.000	
INDIANA	1.176	89	800	287
DELAWARE	1.165	165	1.000	
CONNECTICUT	1.164	212	800	152
NO. DAKOTA	1,163	363	800	
NEW HAMPSHIRE	1,144	344	800	
OHIO	1.090	290	800	
RHODE ISLAND	1.062	144	800	118
MISSOURI	965	453	400	112
MICHIGAN	950	358	600	
NEW YORK	940	140	900	
ILLINOIS	930	275	600	55
NEW JERSEY	**820**	**220**	**600**	
MASSACHUSETTS	819	69	600	150
AVERAGE	$1,621	521		

Registration, Mileage and Property Taxes on a Tractor-Semitrailer Combination
40,000 Gross Vehicle Weight -- Common Carrier

	Registration Fee	Property Tax	Other Taxes & Fees	Carrier Taxes & Fees	Total
New York	$124.00	-	-	-	$124.00
NEW JERSEY	180.00	-	$ 2.00	-	182.00
Pennsylvania	171.00	-	-	$ 10.00	181.00
Virginia	180.00	$110.00	-	330.00	620.00
N. Carolina	560.00	120.01	-	-	680.01
Ohio	220.00	-	-	30.00	250.00
Illinois	250.00	57.82	-	-	307.82
Michigan	193.75	-	-	180.00	373.75
Wisconsin	240.00	-	-	590.00	830.00
Nebraska	381.00	209.66	-	20.00	610.66
Kansas	130.00	234.56	-	270.00	634.56
Colorado	45.00	99.18	-	606.60	750.78
Oregon	139.50	-	-	562.50	702.00
California	112.00	-	130.00	650.00	892.00

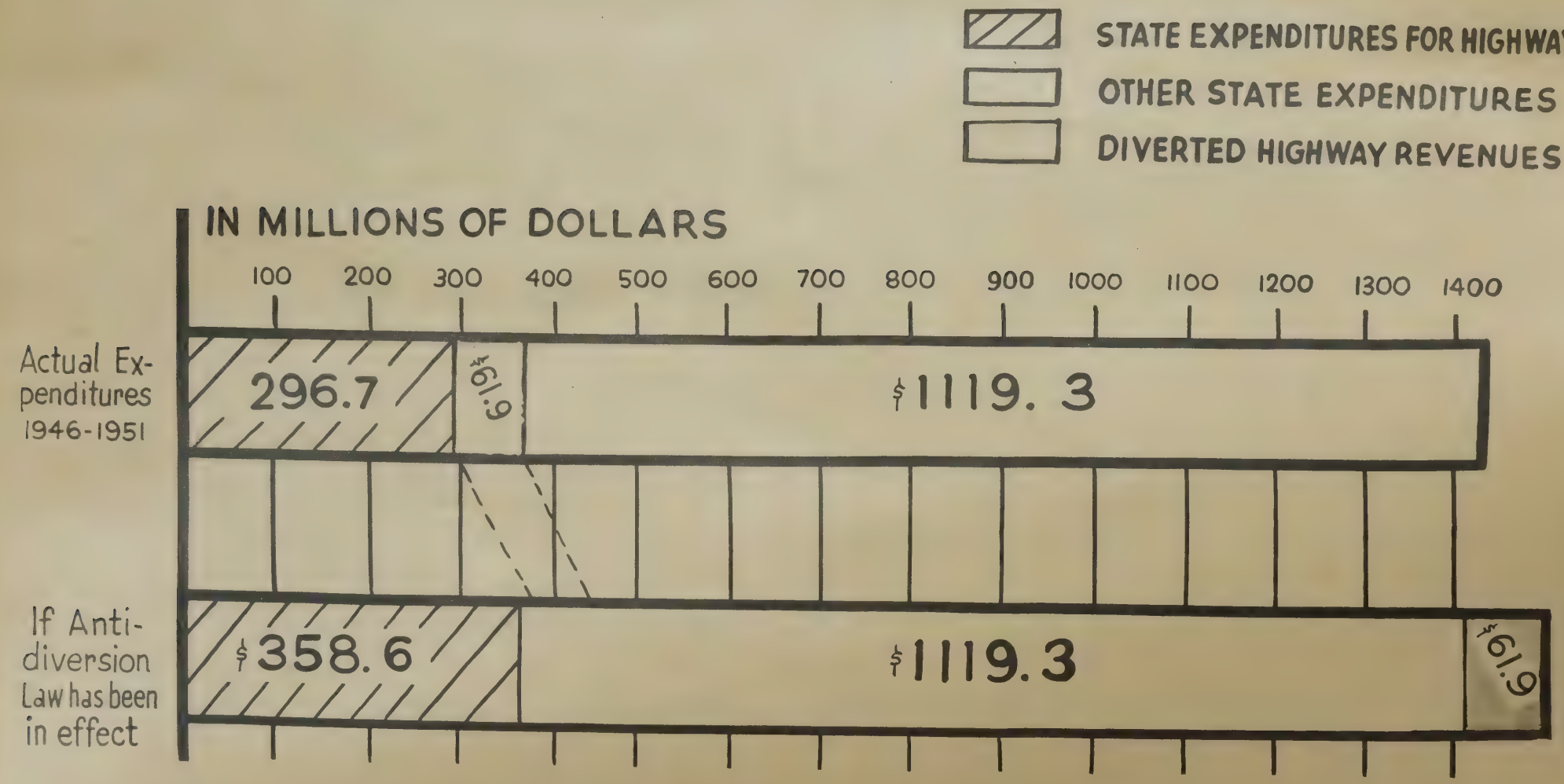
DIVERSION OF HIGHWAY FUNDS

If gas taxes, license and registration fees were not "diverted" by the state from highways to the general functions of government, wouldn't there be enough money from highway users to pay for roads?

The state will take in an estimated $69,000,000 in gas taxes and motor vehicle fees in 1950-51. It will spend $48,000,000 for highway purposes, including state aid. This has led to the statements of "diversion."

YES, HIGHWAY-USER REVENUES HAVE BEEN USED FOR NON-HIGHWAY PURPOSES. BUT local governments -- counties and municipalities -- are spending increasing amounts to build and maintain their streets and roads. These totals are far and away more than the highway-user revenues used by the state for non-highway uses. Total highway expenses are far greater than highway-user revenues. IF ANY FUNDS ARE BEING DIVERTED, they are our general taxes, largely on property. The figures used here show only maintenance and servicing expenses. There is no way to accurately show the amount of money spent for construction as bond issues are seldom itemized. When considering this problem of "diversion," it must always be remembered that the

EFFECT OF REQUIRING N. J. TO SPEND ALL HIGHWAY REVENUES ON HIGHWAYS ONLY, 1946 - 1951



use of highway-user revenues has made it possible for New Jersey to avoid new general taxes.

SOLUTION: The answer to New Jersey's highway problem involves weighing the economic feasibility of spending $150,000,000 annually for construction alone through 1961 (two and a half times as much as is now being spent) for a better system of streets and highways to meet the growing demands of traffic. State highways alone would require almost $100,000,000 of this amount. As a practical matter, major highways must be built in long stretches. Piece-by-piece building is costly and cannot solve the highway problems. And these needs have taken into account the important contributions of the new Turnpike.

To complete a single major highway in one year will require all state highway money to be used for one purpose. The alternative is a bond issue which will make funds available immediately but must be paid off over the years.

This is impossible without additional revenues of some sort. This could mean:

(1) New general state taxes.

(2) Greater gas taxes and license fees.

(3) Revised corporate taxes.

(4) Or a combination of these.

The idealistic solution to New Jersey's highway financial problem involves:

(1) A revision of the user fees so that users pay for the benefits they receive from the highways.

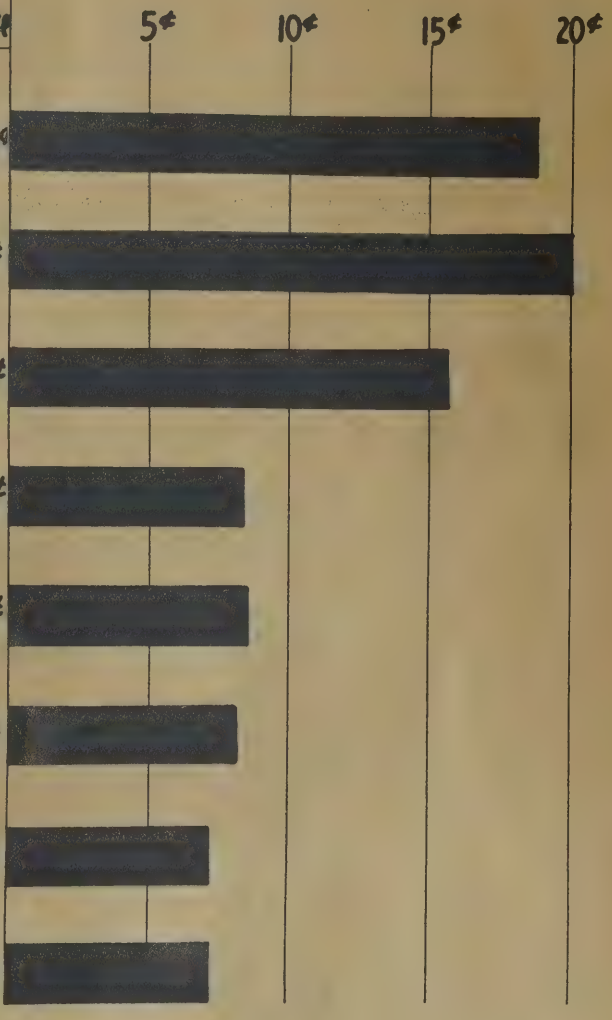
(2) A downward revision in weight limits which would mean lower highway costs.

(3) Strict enforcement of weight limits to prevent further highway and bridge destruction.

(4) A larger sharing of state-collected gas taxes and license fees with county and local governments.

NEW JERSEY CHARGES *(Gas taxes and License Fees)* FOR EACH 100-TON MILES

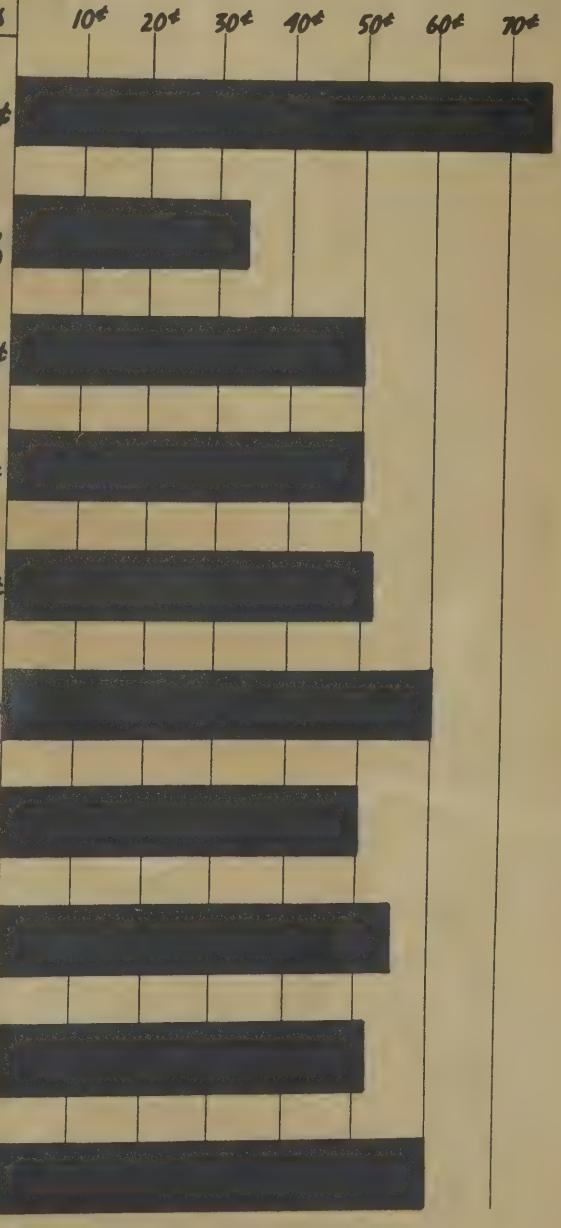
Type Vehicle	Gross Weight	Charges 100-Ton Miles Use
Passenger	3,600	18.9¢
Truck	5,500	20.¢
Truck	9,000	15.7¢
Truck	15,000	8.4¢
Truck	24,000	8.5¢
Truck	40,000	8.1¢
Combo.	50,000	7.2¢
Combo.	60,000	7.2¢



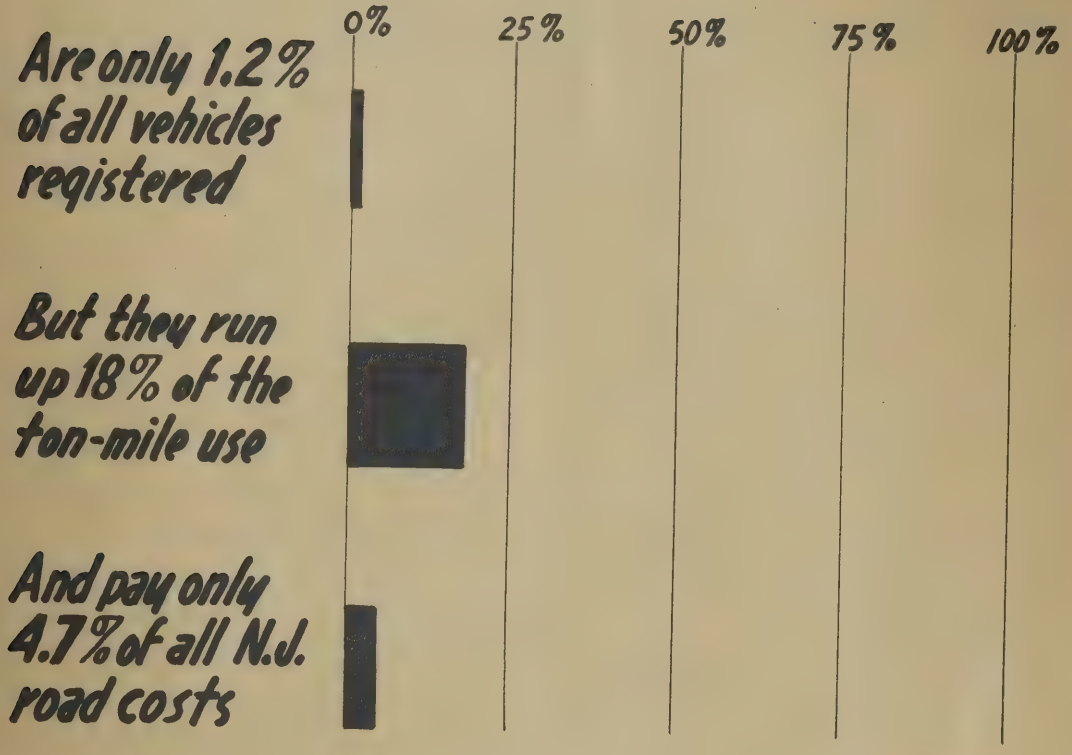
Fees are based on tradition - do not take into account the changing transportation system. Heaviest trucks pay only 38% as much for the same ton-mile use of roads as passenger cars.

NEW JERSEY LICENSE FEES PER 100-POUNDS OF GROSS WEIGHT

Type Vehicle	Average Gross Weight	Av. License Fee	Lic. Fee 100-lbs Gross
Passenger	4,500	$34	.75¢
Farm Truck	4,500	$15	.333
Truck	8,000	$40	.50¢
Truck	15,000	$75	.50¢
Truck	25,000	$130	.52¢
Truck	40,000	$240	.60¢
Combo.	30,000	$150	.50¢
Combo.	40,000	$220	.55¢
Combo.	50,000	$260	.52¢
Combo.	60,000	$360	.60¢



BIG TRUCKS IN NEW JERSEY
24,000-Pounds & Over Loaded



BIG TRUCKS
USE MORE
PAY LESS

PASSENGER CARS PAY TOO MUCH, BIG TRUCKS TOO LITTLE

Under the present highway tax system, the driver of the passenger car -- local delivery truck and small truck -- overpays his share of highway costs from $6.29 to $19.56 each. At the same time, the owner of each heavy commercial highway semi-trailer underpays from $123.40 to $405.77, depending on the size of the truck -- according to the State Tax Policy Commission.

On an actual use basis, the owner of the passenger car pays 2½ times as much as the operator of a 30-ton truck.

TOTAL CHARGES FOR EACH 100 TON-MILES USE OF HIGHWAYS

Type Vehicle	Gross Weight	Total Charges For Each 100 Ton-Mile Use
Passenger car	3,600	18.9¢
Small truck	5,500	20.0¢
Light truck	9,000	15.7¢
Medium truck	15,000	8.4¢
Heavy straight truck	24,000	8.5¢
Light tractor-semitrailer combination	40,000	8.1¢
Medium tractor-semitrailer combination	50,000	7.2¢
Heavy tractor-semitrailer combination	60,000	7.2¢

ONE OF THE ANSWERS

A GROSS-TON-MILE TAX ON ALL HEAVY TRUCKS, including out-of-state trucks, estimated to yield from $9,000,000 to $20,000,000 annually.

This tax is recommended by the Commission on State Tax Policy. The Commission suggests a tax of $.0005 (1/20th of a cent) per GROSS-TON-MILE DRIVEN IN NEW JERSEY. Owners of all heavy trucks (weighing four tons and over), including out-of-state trucks, would file monthly returns or pay a flat fee for the privilege of using

New Jersey highways. Estimated annual per-truck tax would be:

Trucks whose gross weight is 10,000-12,000 lbs. would pay an estimated $37.70 annual
" " " " " 20,000-24,000 lbs. " " " " 124.30 "
" " " " " over 24,000 lbs. " " " " 187.50 "

FOR THE 12-TON TRUCK, TRAVELING 25,000 MILES PER YEAR, THIS WOULD MEAN ABOUT 50 CENTS PER DAY.

THIS TAX CAN YIELD $20 MILLION A YEAR

This $20,000,000 is the extra revenue estimated as justified if the heavy trucks are to pay their fair share of highway costs. At a public hearing in December, 1949, the New Jersey Automobile Owners, Inc., said that "New Jersey can properly charge the long-haul truckers $20,000,000 for the use of our highways." This estimate was made on the basis of applying the Oregon weight-mileage tax to heavy vehicles traveling on New Jersey highways.

The following data are based on the minimum yield of $9,000,000 as proposed by the State Tax Policy Commission.

WHAT WOULD THIS TON-MILE TAX MEAN TO SHIPPERS

Present average cost to shipper per load ton-mile: 6 cents

Proposed increase in per load ton-mile cost to the shipper: 1.25 mills

Per cent increase in cost to shipper: 2.1%

THE INCREASE WOULD BE TOO SMALL TO ALLOCATE TO THE CONSUMERS

At $.06 per load ton-mile, it now costs the shipper $60 to move 10 tons of freight 100 miles (1,000 load ton-miles). With the ton-mile tax, the same freight moved the same distance would cost $61.25 or 12 cents per ton of freight -- too small an amount to allocate to the consumers.

THIS EXTRA MONEY WOULD HELP SOLVE NEW JERSEY'S HIGHWAY PROBLEM

Estimated $9,000,000 could be spent for:

(1) $4,700,000 for State Highway Funds -- enough to pay interest and amortization on an $80,000,000 bond issue.

(2) $4,300,000 for additional state aid to local governments to reduce the burden of local highway and street expenditures.

OR

(3) $4,300,000 to reduce registration fees paid by owners of passenger cars.

THIS ADDITIONAL MONEY WOULD HELP LOCAL GOVERNMENTS MEET THEIR PRESSING FINANCIAL FINANCIAL PROBLEMS

MOST IMPORTANT: The ton-mile tax would enable New Jersey to obtain some revenue from the thousands of out-of-state trucks that are beating up New Jersey highways. At the present time, the ONLY revenue from out-of-state trucks is the few cents gasoline tax.

ONE OUT OF EVERY THREE TRUCKS on New Jersey highways bears an out-of-state license tag.

ONE OUT OF THREE OF THESE OUT-OF-STATE TRUCKS is a highway boxcar.

A WEIGHT MILEAGE TAX IS NOW USED IN TEN STATES.

OTHER STEPS NEEDED TO PROTECT OUR HIGHWAYS

LOWER WEIGHT LIMITS: There is undisputed evidence that stronger and more expensive highways and bridges are necessary as the weights they must carry increase. Beyond a certain point, costs skyrocket.

The American Association of State Highway Officials says that the "economically sane" weight limitation is 18,000 pounds per

axle. Once a highway has to be built to support a greater axle load than 18,000 pounds, construction and maintenance costs get out of line.

Thirty-four states have an 18,000 pound or less axle load limit. This year these 34 states will spend an average of $24,500 a mile to construct their highways, according to the American Road Builders Association.

The 14 states, including New Jersey, which have limits above the recommended 18,000 pounds will spend an average of nearly $54,100 a mile for new highways.

New Jersey has a 22,400 pound axle load limit. This year the state will spend $17,266,000 to construct 26 miles of highway. That's $660,000 a mile.

By lowering the axle load limit to the recommended 18,000 pounds, New Jersey should be able to construct its highways at a much lower cost per mile. The savings could be used to speed the road improvement program.

ANOTHER IMPORTANT FACTOR: The majority of New Jersey's highways are old. They were not built to sustain today's high axle loads. This structural overloading has necessitated extensive repairs. As a result, more and more of the highway dollar goes to maintenance, leaving less and less for reconstruction and construction. MAINTENANCE COSTS HAVE DOUBLED SINCE 1942.

ENFORCEMENT OF WEIGHT LIMITS:

Vigorous enforcement of the weight laws will save New Jersey highways from complete destruction and ease the financial burden of costly repairs. The saving could be used to bring New Jersey's thoroughfares up to today's traffic demands.

The Bureau of Public Roads shows that New Jersey highways bear the highest frequency of heavy truck loads of any state in the nation. In a recent check, the Bureau found 18 per cent of all trucks using New Jersey's highways loaded beyond the liberal 22,400 pound axle load limit.

NEW WEIGHT LAW FOR N.J.:

On January 1, 1951, a new law goes into effect, setting an axle load limit of 22,400 pounds and a gross load limit of 60,000 pounds.

HOW TO FIND MORE MONEY FOR LOCAL STREETS AND ROADS:

The accumulated effect of (1) additional revenues from heavy commercial trucks plus (2) reduced construction and maintenance costs from a sane axle load limit, plus (3) strict enforcement of the weight laws, could go far to solve New Jersey's highway problem.

By broadening the tax base, by making more funds available, New Jersey can have more and better highways and local roads, both county and municipal.

By making each class of vehicles pay its fair share of highway costs, New Jersey can once again be famous for its highways.

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